

MINUTES
STATE BOND COMMITTEE
August 30, 2010

A meeting of the State Bond Committee was held at 10:30 a.m. on August 30, 2010 at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska.

State Bond Committee Members present were:

Don Habeger, Director of Division of Corporations, Business and Professional Licensing, Department of Commerce, Community & Economic Development
Kevin Brooks, Deputy Commissioner, Department of Administration
Jerry Burnett, Deputy Commissioner, Department of Revenue

Present telephonically were:

Cynthia M. Weed, K & L Gates
Debbie Schnebel, ScottballiceStrategies
Kerry Salas, K & L Gates
Cindy Cartledge, Wohlforth Johnson Brecht Cartledge & Brooking
Tom Yang, RBC Capital

Also present in Juneau was:

Deven Mitchell, Debt Manager, Department of Revenue
Tom Cherian, Department of Environmental Conservation

I. Call to Order

Mr. Burnett called the meeting to order at 10:30 a.m. AST.

II. Roll Call

Mr. Mitchell took roll call. Mr. Brooks, Mr. Burnett and Mr. Habeger were present.

III. Public Meeting Notice

A copy of the Advertising Order and Affidavit of Publication concerning the date, location, and purpose of the meeting were reviewed and made a part of the

minutes of the meeting. Mr. Mitchell stated the meeting notice was advertised in the State's Online Public Notice.

IV. Approval of Agenda

The agenda was adopted without objection.

V. Minutes of June 3, 2010 State Bond Committee Meeting

The minutes of the June 3, 2010 meeting were approved and adopted as submitted without objection.

VI. Public Comment

Mr. Burnett asked for public participation and comment. There was none.

VII. New Business

Resolution 2010-05

The first item of business was Resolution 2010-05, a resolution of the State Bond Committee of the State of Alaska providing for the issuance of new money and refunding bonds of the State of Alaska International Airport System. Mr. Mitchell explained that the issuance includes a projected \$32.4 million new money issuance and a \$142 million refunding. The new money bonds are being issued to provide cash flow and fund improvements to runways in Anchorage that are otherwise funded through a multi-year grant agreement with the Federal Aviation Administration. The refunding is being conducted with the two primary goals of achieving savings and extending debt service by three years to reduce average debt service requirements of the system. There is a 2% present value savings requirement for the refunding. Cynthia Weed detailed some of the specific legal provisions established within the resolution. Mr. Habeger moved that State Bond Committee Resolution 2010-05 be approved. Mr. Brooks seconded the motion. Mr. Mitchell took the roll and the motion passed by three yes votes.

Resolution 2010-06

The next item of business was Resolution 2010-06, a resolution of the State Bond Committee of the State of Alaska providing for the issuance of Clean & Drinking Water Fund Bond Anticipation Notes. Mr. Mitchell explained that this is an annual issuance designed to provide for match dollars to receive additional Federal funds. The Bond receipt authority for the Clean Water Fund is \$2.7 million. The actual amount required is \$2,441,006.95 with a fund deposit of \$2,438,800 and the balance of 2,206.95 being used for costs of issuance. The bond receipt authority for the Drinking Water Fund is \$2,963,000. The actual

amount required is \$2,717,058.67 with a fund deposit of \$2,714,600 and the balance of \$2,458.67. Mr. Brooks moved that State Bond Committee Resolution 2010-06 be approved. Mr. Habeger seconded the motion. Mr. Mitchell took the roll and the motion passed by three yes votes.

Debt Manager's Report

Mr. Mitchell provided an update on the Alaska International Airport System financing.

Moody's affirmed the A1 rating on the Alaska Sport Fishing Revenue Bonds and the report was included in the packet.

Mr. Mitchell indicated that there would be a need to select underwriters for the potential general obligation bond sale. He intends to issue an RFQ in mid September and have a firm selected by late September or early October for the transaction. All members of the Committee will be asked to participate in the process along with the Debt Manager and Financial Advisor.

Committee Member Comments

There were none.

Schedule Next Meeting

Mr. Mitchell indicated that the next meeting would need to be in late August to September.

Adjournment

The meeting was adjourned at 11:35 a.m.

Susan Bell, Commissioner
Department of Commerce and Economic Development
Chairman

ATTEST:

Bryan Butcher, Commissioner

Department of Revenue
Secretary